

Colleen Larkin Bell (5253)  
Jenniffer Nelson Clark (7947)  
Questar Gas Company  
333 South State Street  
P.O. Box 45360  
Salt Lake City, Utah 84145  
(801) 324-5556  
(801) 324-5935 (fax)  
colleen.bell@questar.com  
jenniffer.clark@questar.com

*Attorneys for Questar Gas Company*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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APPLICATION FOR APPROVAL OF THE	)	
2015 YEAR BUDGET FOR ENERGY	)	Docket No. 14-057-25
EFFICIENCY PROGRAMS AND MARKET	)	QUESTAR GAS COMPANY'S
TRANSFORMATION INITIATIVE	)	REPLY COMMENTS

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Questar Gas Company (Questar Gas or Company) respectfully submits these Reply Comments to the Action Request Response issued by the Division of Public Utilities (Division) and to the Memorandum issued by the Office of Consumer Services (Office) November 14, 2014 in the above-referenced docket.

**I. BACKGROUND**

On October 14, 2014 Questar Gas filed an Application for approval of the 2015 year budget for energy efficiency programs and Market Transformation Initiative (Application). On October 14, 2014 the Commission issued an action request for the Division to file a response to the Company's Application. On October 28, 2014 the Commission issued a notice of filing and comment period in this docket and allowed for interested parties to file

comments on or before Friday November 14, 2014. On November 6, 2014 Mr. Dan Dent filed comments related to the Application. On November 14, 2014 the Division filed its response to the Commission's action request and the Office filed comments in this docket.

The Division's response made note of the Company's projected 2015 overall 19% increase in decatherm (Dth) savings, reduction of 13% in the cost per Dth saved, and the projected participation decrease of 12%. The projected reductions in the 2015 cost per Dth saved are a result of the Company's focus on reducing administrative costs. The projected 2015 participation decrease is mainly attributable to the weatherization program and specifically the proposed elimination of .30 U-value windows as a rebate-eligible measure.

The Division's response recommended approval of the Company's proposal to adjust the minimum annual fuel utilization efficiency (AFUE) for the 98% furnace measure to 97.5% in the Appliance, Builder, and Business programs for 2015. The Division also supported the Company's proposal to add smart thermostats to those programs in 2015. Additionally, the Division supported adding combined space/water heating equipment, condensing infrared heaters, and condensing indirect-fired roof top units as rebate-eligible equipment in the Business program in 2015.

In its action request response, the Division recognized that some parties had concerns with the Company's proposed 2015 Market Transformation Initiative and recommended that the Commission direct the Company to conduct a review of that budget with the Advisory Group in the first quarter of 2015. The Division also urged the Company to "always look for ways to implement administrative cost reduction steps in order to improve overall program efficiencies." The Company agrees with this recommendation and notes that, because of its continued focus on reducing administrative costs, the budget shows a projected reduction in

2015 cost per Dth saved. The Division also recognized that while the low-gas-price environment may make it difficult to justify some rebate measures (because of cost effectiveness concerns), there is overall value to the ThermWise program objectives. The Division closed its analysis indicating support of the 2015 budget and with the recommendation that the Commission approve the Company's Application.

The Office recommended that the Commission take the following actions: reject the Market Transformation Initiative budget proposal as filed and require it to be filed separately for the 2015 marketing year and for all subsequent years; approve the remaining Energy Efficiency (EE) budget request along with proposed program changes, including removing the Energy Comparison Reports from Market Transformation Initiative and separately funding that program; order the Company to immediately discontinue use of any advertisements that refer customers to fallprep.com or the Rocky Mountain Gas Association (RMGA) rather than to a more general referral to licensed and qualified contractors; and order the Company to discontinue allowing the use of Therm and ThermWise images on the RMGA website.

## **II. DISCUSSION**

The Company supports the recommendation made by the Division to provide greater detail and insight into the Market Transformation Initiative. The Company plans to discuss the Market Transformation strategy and planned expenditures in the first Advisory Group meeting of 2015.

The Company met with the Office in an effort to address its proposed actions. The Company proposed the following:

1. The Market Transformation Initiative will continue to be filed as a component of the EE budget. In the first Advisory Group meeting of 2015, the Company will lead a

- discussion on Market Transformation strategy and how the findings of the 2014 Lighthouse survey are incorporated into that strategy. The Company will also include an explanation of Market Transformation strategy in all future Application filings.
2. By December 1, 2014 the Company will discontinue referring customers directly to RMGA. The Company will also edit the Fallprep.com website to exclude any reference to RMGA.
  3. In consultation with the Advisory Group, the Company will develop a written policy on third-party usage of the ThermWise<sup>®</sup> brand and images.
  4. By December 1, 2014 the current ThermWise<sup>®</sup> image will be removed from the RMGA website. Future usage of ThermWise<sup>®</sup> images will be consistent with the written policy developed by the Company with the input of the Advisory Group.

The Company is authorized to represent that the Office supports this approach in lieu of its prior recommendations.

### **III. CONCLUSION**

The Company requests that the Commission approve the Application as filed with an effective date of January 1, 2015.

DATED this 25th day of November, 2014.

Respectfully submitted,

QUESTAR GAS COMPANY

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Colleen Larkin Bell (5253)  
Jenniffer Nelson Clark (7947)  
Attorneys for Questar Gas Company  
333 South State Street  
P.O. Box 45360  
Salt Lake City, Utah 84145-0360  
(801) 324-5556

## CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was served upon the following by electronic mail on November 25, 2014:

Patricia E. Schmid Justin C. Jetter Assistant Attorney Generals 500 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 pschmid@utah.gov jjetter@utah.gov	Michelle Beck Director Office of Consumer Services 400 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 mbeck@utah.gov
Brent L. Coleman Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 brentcoleman@utah.gov	Sarah Wright Executive Director Utah Clean Energy 917 2 <sup>nd</sup> Avenue Salt Lake City, UT 84103 sarah@utahcleanenergy.org
Gary A. Dodge Hatch, James & Dodge 10 West Broadway, Suite 400 Salt Lake City, UT 84101 gdodge@hjdllaw.com	Kevin Higgins Neal Townsend Energy Strategies 215 South State Street #200 Salt Lake City, UT 84111 khiggins@energystrat.com ntownsend@energystrat.com
Cody Stewart Governor's Energy Advisor State of Utah 60 E. South Temple, 3 <sup>rd</sup> Floor Salt Lake City, UT 84111 codystewart@utah.gov	Chris Parker Division of Public Utilities 400 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 chrisparker@utah.gov
Howard Geller Southwest Energy Efficiency Project 2334 North Broadway, Suite A Boulder, CO hgeller@swenergy.org	

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